

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-05  
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01  
SP-02 SS-15 USIA-06 DHA-05 EB-08 /095 W  
-----081732 291032Z /21

R 290645Z SEP 77  
FM AMEMBASSY PRETORIA  
TO SECSTATE WASHDC 9015  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
AMEMBASSY LUSAKA  
AMEMBASSY KINSHASA  
AMEMBASSY DAR ES SALAAM  
USMISSION NATO  
USMISSION USUN NEW YORK  
AMCONSUL CAPE TOWN  
AMCONSUL DURBAN  
AMCONSUL JOHANNESBURG

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E.O. 11652: N/A  
TAGS: PFOR, EEC, XA, BE, SF  
SUBJECT: SOUTH AFRICAN REACTION TO EC CODE OF CONDUCT

REF: BRUSSELS 12269

1. SUMMARY: IN FIRST OFFICIAL COMMENT ON CODE OF CONDUCT  
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FOR EC SUBSIDIARIES, SAG COMPLAINED OF SELECTIVE MORALITY  
BUT ASSOCIATED GOVERNMENT WITH EFFORTS TO FOLLOW MORE  
ENLIGHTENED LABOR PRACTICES. END SUMMARY.

2. SAG INITIAL REACTION TO EC CODE OF CONDUCT WAS CONTAINED  
IN COMMENTS TO PRESS BY FOREIGN MINISTER BOTHA SEPT 26.  
MAIN PURPOSE WAS TO CORRECT A STATEMENT ATTRIBUTED TO A

SA EMBASSY OFFICIAL IN BONN WELCOMING CODE. BOTHA SAID SA AMBASSADOR IN BONN DID NOT MAKE NOR AUTHORIZE SUCH A STATEMENT.

3. BOTHA SAID CODE WOULD HAVE CREDIBILITY ONLY IF IT WERE DIRECTED AT EUROPEAN FIRMS' OPERATIONS IN ALL COUNTRIES. BOTHA SAID HE OBJECTED TO HIGH MORAL TONE OF EUROPEAN GOVERNMENTS, ADDING: QUOTE IT IS HIGHLY NECESSARY THAT THEY GIVE THEIR ATTENTION TO CONDITIONS WITHIN THEIR OWN COUNTRIES WHICH IN MANY CASES ARE FAR FROM IDEAL. AT THE SAME TIME, I WILL GIVE THEM A LIST OF CONDITIONS PREVAILING IN TWO-THIRDS OF THE COUNTRIES OF TH WORLD WHICH CRY OUT FOR CHANGE AND WITH WHOM THEY ALSO TRADE. UNQUOTE.

4. BOTHA SAID SAG WAS NOT OPPOSED TO IMPROVEMENT OF LIVING AND WORKING CONDITIONS OF WORKERS, BOTH BLACK AND WHITE, REFERRING TO TWO LABOR COMMISSIONS (RIEKERT AND WIEHAHN) AS EVIDENCE OF SAG'S GOOD FAITH. HE ADDED THAT FOREIGN COMPANIES IN SA HAD IN PAST TRIED TO HIDE BEHIND WHAT THEY CONSTRUED AS STATUTORY RESTRAINTS TO AVOID IMPROVING WORKING CONDITIONS.

5. THIS SHARP REACTION CONTRASTS WITH POSITIVE WAY SAG HANDLED SULLIVAN GUIDELINES EARLIER THIS YEAR. EC CODE IS, OF COURSE, MORE COMPREHENSIVE, WITH INCLUSION OF LANGUAGE ON TRADE UNIONS AND WAGE LEVELS, AND CONTAINS TENDENTIOUS LIMITED OFFICIAL USE

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REFERENCES TO EFFECTS OF APARTHEID POLICIES. IT WAS ALSO NEGOTIATED BY GOVERNMENTS WITH MUCH PUBLICITY AS OPPOSED TO U.S. GUIDELINES ON WHICH FIRMS QUIETLY CONSULTED BOTHA IN ADVANCE WHILE HE WAS STILL AMBASSADOR TO U.S. NEVERTHELESS, SAG IS SHOWING INCREASING SENSITIVITY ON WHOLE SUBJECT. PRIME MINISTER HAS TWICE, MORE RECENTLY AT BANQUET OF U.S. BUSINESSMEN'S GROUP ON SEPT 26, INACCURATELY CHARGED THAT STATE DEPARTMENT HAD ISSUED A DIRECTIVE THAT NO AMERICAN BUSINESSMEN SHOULD PAY THEIR BLACK WORKERS IN SOUTH AFRICA LESS THAN \$120 A MONTH. HE SAID: QUOTE. WE FIND IT EXTREMELY DIFFICULT WHY SOUTH AFRICA SHOULD BE SINGLED OUT, AS WE ARE NOW ALSO SINGLED OUT BY CERTAIN COUNTRIES IN EUROPE. END QUOTE.

6. BRITISH EMBASSY LABOR OFFICER COMMENTED THAT OBJECTION TO SELECTIVE MORALITY IN BOTHA STATEMENT WAS REMINISCENT OF SAG REACTION TO BRITISH GUIDELINES OF 1974-75. HE DID NOT FIND BOTHA STATEMENT UNEXPECTEDLY CRITICAL AND, INDEED, IN REFERENCE TO FIRMS HIDING BEHIND WHAT THEY CONSTRUE AS STATUTORY RESTRAINTS, SAW AN IMPLICIT ENDORSEMENT OF PURPOSES OF CODE. HE ANTICIPATES FURTHER REACTION, HOWEVER, INCLUDING STEP LIKE THAT TAKEN AGAINST BRITISH COMPANIES EARLIER OF

ADVISING THEM THAT UNDER SECOND GENERAL LAW AMENDMENT ACT  
RESPONSES TO QUESTIONS OF PARENT COMPANIES AND PROPOSED  
REPLIES SHOULD BE SUBMITTED TO DEPT OF COMMERCE FOR APPROVAL.  
ONLY THOSE BEING SENT TO PARENTS WITH MORE THAN A 50 PERCENT  
INTEREST WOULD THEN BE APPROVED.  
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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STANDARDS, COMMUNITY RELATIONS, BUSINESS FIRMS, FOREIGN TRADE, GOVERNMENT REACTIONS  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** N/A  
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**Review Markings:**  
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